

CLASS "A" OR "B"

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**Public Service Commission**  
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WATER AND/OR WASTEWATER UTILITIES  
(Gross Revenue of More Than \$200,000 Each)

**ANNUAL REPORT**

OF

WS641-08-AR

WU553-08-AR

**LAKE UTILITY SERVICES, INC.**

---

Exact Legal Name of Respondent

Certificate Number(s)

Submitted To The

STATE OF FLORIDA

PUBLIC SERVICE COMMISSION

FOR THE

YEAR ENDED

31-Dec-08

RECEIVED  
DIVISION OF  
ECONOMIC REGULATION

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FLORIDA PUBLIC SERVICE  
COMMISSION

## GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added; provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems".
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission  
Division of Water and Wastewater  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0873**

The fourth copy should be retained by the utility.

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# **EXECUTIVE SUMMARY**

CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

- |                                     |                          |
|-------------------------------------|--------------------------|
| YES                                 | NO                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |

1. The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission.
  
- |                                     |                          |
|-------------------------------------|--------------------------|
| YES                                 | NO                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |

2. The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission.
  
- |                                     |                          |
|-------------------------------------|--------------------------|
| YES                                 | NO                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |

3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statement of the utility.
  
- |                                     |                          |
|-------------------------------------|--------------------------|
| YES                                 | NO                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |

4. The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents.

Items Certified			
1.	2.	3.	4.

X	X	X	X
---	---	---	---

\_\_\_\_\_  
 (Signature of Chief Executive Officer of the utility) \*

*[Handwritten Signature]*  
 \_\_\_\_\_  
 (Signature of Chief Financial Officer of the utility) \*

\* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

**NOTICE:** Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

#####

YEAR OF REPORT  
31-Dec-08

**LAKE UTILITY SERVICES, INC.**

County: **Martin County**

(Exact Name of Utility)

List below the exact mailing address of the utility for which normal correspondence should be sent:

2335 SANDERS ROAD  
NORTHBROOK IL 60062

Telephone: 847-498-6440

E Mail Address: NONE

WEB Site: NONE

Sunshine State One-Call of Florida, Inc. Member Number **MGW488**

Name and address of person to whom correspondence concerning this report should be addressed:

WILLIAM SCHERER  
2335 SANDERS ROAD  
NORTHBROOK IL 60062

Telephone: 847-498-6440

List below the address of where the utility's books and records are located:

2335 SANDERS ROAD  
NORTHBROOK IL 60062

Telephone: 847-498-6440

List below any groups auditing or reviewing the records and operations:

PRICEWATERHOUSECOOPERS

Date of original organization of the utility: **09/20/76**

Check the appropriate business entity of the utility as filed with the Internal Revenue Service

Individual      Partnership      Sub S Corporation      1120 Corporation  
                                                           

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	UTILITIES INC	100%
2.		
3.		
4.		
5.		
6.		
7.		
8.		





**COMPANY PROFILE**

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major goals and objectives.
- D. Major operating divisions and functions.
- E. Current and projected growth patterns.
- F. Major transactions having a material effect on operations.

A.	Formed in 9/20/76 was acquired by Utilities Inc.
B.	The Utility supplies water and sewer services.
C.	Maintain a high quality of service.
D.	There is only subdivisions that are serviced.
E.	There has been modest growth and we expect this pattern to continue as long as economic conditons hold.
F.	There have been no major transaction during the year.

UTILITY NAME: LAKE UTILITY SERVICES, INC.

<b>YEAR OF REPORT</b> 31-Dec-08
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**PARENT / AFFILIATE ORGANIZATION CHART**

Current as of                      12/31/2008

Complete below an organizational chart that show all parents, subsidiaries and affiliates of the utility.  
The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).

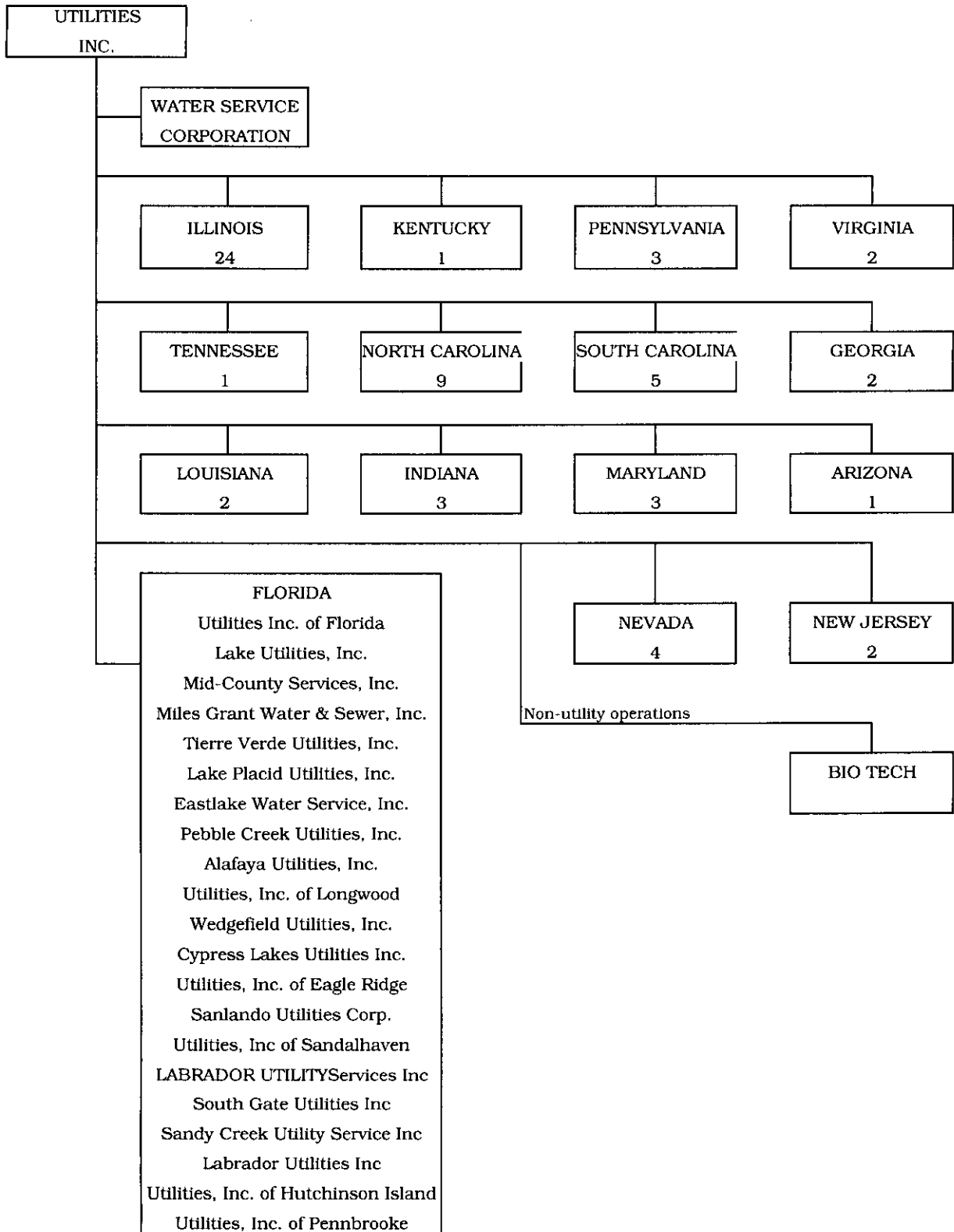
UTILITIES, INC. -- PARENT COMPANY

WATER SERVICE CORP. -- SERVICE COMPANY SUPPLYING MOST  
SERVICES REQUIRED BY UTILITY.

UTILITIES INC. of FLORIDA -- provides office personnel and administrative  
staff.

SEE ATTACHED

## Parent And Affiliate Organizational Chart



UTILITIES, INC. - Parent Company

WATER SERVICE CORP. - Service organization providing administrative and other service functions for the utility.

NOTE: Within each state except Florida is the number of companies owned.

**COMPENSATION OF OFFICERS**

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
LAWRENCE N SCHUMACHER	CEO & PRESIDENT	N/A	\$ NONE
LISA A SPARROW	VP OPERATIONS	N/A	NONE
JOHN HOY	VP REGULATORY	N/A	NONE
STEVEN M LUBERTOZZI	VP & TREASURER	N/A	NONE
JOHN R STOVER	VP & SECRETARY	N/A	NONE
RICK DURHAM	REGIONAL VP	N/A	NONE

**COMPENSATION OF DIRECTORS**

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
JOHN M STOKES	DIRECTOR	1	\$ NONE
LAWRENCE N SCHUMACHER	DIRECTOR	1	NONE

**BUSINESS CONTRACTS WITH OFFICERS, DIRECTORS AND AFFILIATES**

List all contracts, agreements, or other business arrangements\* entered into during the calendar year (other than compensation related to position with Respondents) between the Respondent and officer and director listed on page E-6. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

NAME OF OFFICER, DIRECTOR OR AFFILIATE (a)	IDENTIFICATION OF SERVICE OR PRODUCT (b)	AMOUNT (c)	NAME AND ADDRESS OF AFFILIATED ENTITY (d)	
NO BUSINESS CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS WERE ENTERED INTO DURING THE CURRENT YEAR BY THE OFFICERS LISTED ON PAGE E6, THE DIRECTORS OR AFFILIATES.		\$		

\* Business Agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years. Although the Respondent and/or other companies will benefit from the arrangement, the officer or director is, however, acting on his behalf or for the benefit of other companies or persons.

**AFFILIATION OF OFFICERS AND DIRECTORS**

For each of the officials listed on page E-6, list the principle occupation or business affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

NAME (a)	PRINCIPLE OCCUPATION OR BUSINESS AFFILIATION (b)	AFFILIATION OR CONNECTION (c)	NAME AND ADDRESS OF AFFILIATION OR CONNECTION (d)
JOHN M STOKES	DIRECTOR	DIRECTOR	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
LAWRENCE N SCHUMACHER	PRESIDENT & CEO	DIRECTOR/OFFICER	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
LISA A SPARROW	VP OPERATIONS	OFFICER	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
JOHN HOY	VP REGULATORY	OFFICER	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
STEVEN M LUBERTOZZI	VP & TREASURER	OFFICER	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
JOHN R STOVER	VP & SECRETARY	OFFICER	UTILITIES INC & SUBSIDIARIES NORTHBROOK IL
RICK DURHAM	REGIONAL VP	OFFICER	UTILITIES INC & SUBSIDIARIES ALTAMONTE SPRINGS, FL









# **FINANCIAL SECTION**

**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	F-7	\$ 55,931,625	\$ 58,162,641
108-110	Less: Accumulated Depreciation and Amortization	F-8	6,061,763	7,464,952
Net Plant			\$ 49,869,862	\$ 50,697,689
114-115	Utility Plant Acquisition adjustment (Net)	F-7	-	0
116 *	Other Utility Plant Adjustments			5,325
Total Net Utility Plant			\$ 49,869,862	\$ 50,703,014
<b>OTHER PROPERTY AND INVESTMENTS</b>				
121	Nonutility Property	F-9	\$	\$ -
122	Less: Accumulated Depreciation and Amortization			-
Net Nonutility Property			\$	\$
123	Investment In Associated Companies	F-10		-
124	Utility Investments	F-10		-
125	Other Investments	F-10		-
126-127	Special Funds	F-10		-
Total Other Property & Investments			\$	\$ -
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		\$ (28)	\$ (183)
132	Special Deposits	F-9	18,052	18,235
133	Other Special Deposits	F-9		-
134	Working Funds			-
135	Temporary Cash Investments			-
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	465,255	736,972
145	Accounts Receivable from Associated Companies	F-12	-	3,466,558
146	Notes Receivable from Associated Companies	F-12		-
151-153	Material and Supplies		-	7,795
161	Stores Expense			-
162	Prepayments		22,034	12,988
171	Accrued Interest and Dividends Receivable			-
172 *	Rents Receivable			-
173 *	Accrued Utility Revenues			-
174	Misc. Current and Accrued Assets	F-12		-
Total Current and Accrued Assets			\$ 505,313	\$ 4,242,366

\* Not Applicable for Class B Utilities

UTILITY NAME: LAKE UTILITY SERVICES, INC.

<b>YEAR OF REPORT</b>
# 31-Dec-08

**COMPARATIVE BALANCE SHEET  
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>DEFERRED DEBITS</b>				
181	Unamortized Debt Discount & Expense	F-13	\$ _____	\$ _____ -
182	Extraordinary Property Losses	F-13	_____	_____ -
183	Preliminary Survey & Investigation Charges		_____	_____ 633
184	Clearing Accounts		_____	_____ -
185 *	Temporary Facilities		_____	_____ -
186	Misc. Deferred Debits	F-14	_____ 169,265	_____ 385,439
187 *	Research & Development Expenditures		_____	_____ -
190	Accumulated Deferred Income Taxes		_____ 1,699,800	_____ -
Total Deferred Debits			\$ _____ 1,869,065	\$ _____ 386,072
<b>TOTAL ASSETS AND OTHER DEBITS</b>			\$ _____ <u>52,244,240</u>	\$ _____ <u>55,331,451</u>

\* Not Applicable for Class B Utilities

**NOTES TO THE BALANCE SHEET**

The space below is provided for important notes regarding the balance sheet.

**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>EQUITY CAPITAL</b>				
201	Common Stock Issued	F-15	\$ 300	\$ 300
204	Preferred Stock Issued	F-15		-
202, 205 *	Capital Stock Subscribed			-
203, 206 *	Capital Stock Liability for Conversion			-
207 *	Premium on Capital Stock			-
209 *	Reduction in Par or Stated Value of Capital Stock			-
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			-
211	Other Paid - In Capital		17,351,874	26,311,225
212	Discount On Capital Stock			-
213	Capital Stock Expense			-
214-215	Retained Earnings	F-16	3,441,030	3,771,324
216	Reacquired Capital Stock			-
218	Proprietary Capital (Proprietorship and Partnership Only)			-
Total Equity Capital			\$ 20,793,204	\$ 30,082,849
<b>LONG TERM DEBT</b>				
221	Bonds	F-15		-
222 *	Reacquired Bonds			-
223	Advances from Associated Companies	F-17		(4,485,236)
224	Other Long Term Debt	F-17		-
Total Long Term Debt			\$	\$ (4,485,236)
<b>CURRENT AND ACCRUED LIABILITIES</b>				
231	Accounts Payable		322,450	502,595
232	Notes Payable	F-18		-
233	Accounts Payable to Associated Companies	F-18	5,902,292	5,626,529
234	Notes Payable to Associated Companies	F-18		-
235	Customer Deposits		237,155	149,202
236	Accrued Taxes		(22,788)	(6,307)
237	Accrued Interest	F-19	(6,259)	4,538
238	Accrued Dividends			-
239	Matured Long Term Debt			-
240	Matured Interest			-
241	Miscellaneous Current & Accrued Liabilities	F-20		-
Total Current & Accrued Liabilities			\$ 6,432,850	\$ 6,276,556

\* Not Applicable for Class B Utilities

UTILITY NAME: LAKE UTILITY SERVICES, INC.

<b>YEAR OF REPORT</b>
# 31-Dec-08

**COMPARATIVE BALANCE SHEET  
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____
252	Advances For Construction	F-20	50,447	38,400
253	Other Deferred Credits	F-21	_____	_____
255	Accumulated Deferred Investment Tax Credits		35,692	_____
Total Deferred Credits			\$ <u>86,139</u>	\$ <u>38,400</u>
<b>OPERATING RESERVES</b>				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves		_____	_____
Total Operating Reserves			\$ _____	\$ _____
<b>CONTRIBUTIONS IN AID OF CONSTRUCTION</b>				
271	Contributions in Aid of Construction	F-22	\$ 26,845,071	\$ 27,908,882
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	3,762,096	4,518,826
Total Net C.I.A.C.			\$ <u>23,082,975</u>	\$ <u>23,390,057</u>
<b>ACCUMULATED DEFERRED INCOME TAXES</b>				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ 1,804,829	\$ 1,991,527
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other		44,243	(1,962,702)
Total Accumulated Deferred Income Tax			\$ <u>1,849,072</u>	\$ <u>28,825</u>
<b>TOTAL EQUITY CAPITAL AND LIABILITIES</b>			\$ <u>52,244,240</u>	\$ <u>55,331,451</u>

**COMPARATIVE OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
<b>UTILITY OPERATING INCOME</b>				
400	Operating Revenues	F-3(b)	\$ 3,728,872	\$ 4,061,569
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)		
Net Operating Revenues			\$ 3,728,872	\$ 4,061,569
401	Operating Expenses	F-3(b)	\$ 2,277,072	\$ 2,575,238
403	Depreciation Expense:	F-3(b)	\$ 1,017,688	\$ 1,557,042
	Less: Amortization of CIAC	F-22	(617,282)	(727,744)
Net Depreciation Expense			\$ 400,406	\$ 829,298
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)		(0)
407	Amortization Expense (Other than CIAC)	F-3(b)		-
408	Taxes Other Than Income	W/S-3	618,786	636,905
409	Current Income Taxes	W/S-3	39,065	(50,101)
410.10	Deferred Federal Income Taxes	W/S-3	23,447	(102,338)
410.11	Deferred State Income Taxes	W/S-3	4,017	(17,519)
411.10	Provision for Deferred Income Taxes - Credit	W/S-3		-
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3		-
412.11	Investment Tax Credits Restored to Operating Income	W/S-3		-
Utility Operating Expenses			\$ 3,362,793	\$ 3,871,483
Net Utility Operating Income			\$ 366,079	\$ 190,086
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)		-
413	Income From Utility Plant Leased to Others			16,374
414	Gains (losses) From Disposition of Utility Property			4,147
420	Allowance for Funds Used During Construction		512,132	630,208
Total Utility Operating Income [Enter here and on Page F-3(c)]			\$ 878,211	\$ 840,815

\* For each account. Column e should agree with Clour f, g and h on F-3(b)

**COMPARATIVE OPERATING STATEMENT (Cont'd)**

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 2,896,377	\$ 1,165,192	\$ -
\$ 2,896,377	\$ 1,165,192	\$ -
\$ 1,878,412	\$ 696,825	\$ -
1,108,831 (435,907)	448,211 (291,837)	-
\$ 672,924	\$ 156,374	\$ -
(0)	-	-
-	-	-
478,889	158,016	-
(37,671)	(12,430)	-
(76,948)	(25,390)	-
(13,173)	(4,346)	-
-	-	-
-	-	-
-	-	-
\$ 2,902,434	\$ 969,049	\$ -
\$ (6,057)	\$ 196,143	\$ -
-	-	-
12,311	4,062	-
3,118	1,029	-
473,854	156,355	-
\$ 483,226	\$ 357,589	\$ -

\* Total of Schedules W-3 / S-3 for all rate groups.



**COMPARATIVE OPERATING STATEMENT (Cont'd)**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 878,211	\$ 840,815
<b>OTHER INCOME AND DEDUCTIONS</b>				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$	\$ -
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			-
419	Interest and Dividend Income		446,189	-
421	Nonutility Income			-
426	Miscellaneous Nonutility Expenses			-
Total Other Income and Deductions			\$ 446,189	\$ -
<b>TAXES APPLICABLE TO OTHER INCOME</b>				
408.2	Taxes Other Than Income		\$	\$ -
409.2	Income Taxes			-
410.2	Provision for Deferred Income Taxes			-
411.2	Provision for Deferred Income Taxes - Credit			-
412.2	Investment Tax Credits - Net			-
412.3	Investment Tax Credits Restored to Operating Income			-
Total Taxes Applicable To Other Income			\$	\$ -
<b>INTEREST EXPENSE</b>				
427	Interest Expense	F-19	\$ 803,832	\$ 510,522
428	Amortization of Debt Discount & Expense	F-13		-
429	Amortization of Premium on Debt	F-13		-
Total Interest Expense			\$ 803,832	\$ 510,522
<b>EXTRAORDINARY ITEMS</b>				
433	Extraordinary Income		\$	\$ -
434	Extraordinary Deductions			-
409.3	Income Taxes, Extraordinary Items			-
Total Extraordinary Items			\$	\$ -
<b>NET INCOME</b>			<b>\$ 520,568</b>	<b>\$ 330,294</b>

Explain Extraordinary Income:

NONE

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**SCHEDULE OF YEAR END RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 36,830,776	\$ 21,331,865
	Less:			
	Nonused and Useful Plant (1)			
108	Accumulated Depreciation	F-8	4,836,303	2,628,650
110	Accumulated Amortization	F-8	-	-
271	Contributions In Aid of Construction	F-22	17,012,950	10,895,932
252	Advances for Construction	F-20	38,400	38,400
Subtotal			\$ 14,398,039	\$ 1,546,458
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	3,099,462	1,419,364
Subtotal			\$ 17,497,501	\$ 2,965,821
114	Plus or Minus: Acquisition Adjustments (2)	F-7	-	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	0	-
	Working Capital Allowance (3)		234,802	87,103
	Other (Specify):			
RATE BASE			\$ 17,732,303	\$ 3,052,925
NET UTILITY OPERATING INCOME			\$ (6,057)	\$ 196,143
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			-0.03%	6.42%

**NOTES :**

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.  
 In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

**SCHEDULE OF CURRENT COST OF CAPITAL  
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

<b>CLASS OF CAPITAL (a)</b>	<b>DOLLAR AMOUNT (2) (b)</b>	<b>PERCENTAGE OF CAPITAL (c)</b>	<b>ACTUAL COST RATES (3) (d)</b>	<b>WEIGHTED COST (c x d) (e)</b>
Common Equity	\$ 8,384,322	40.36%	12.67%	5.11%
Preferred Stock	-	0.00%	0.00%	0.00%
Long Term Debt	9,567,685	46.05%	6.60%	3.04%
Short Term Debt	2,645,731	12.73%	3.75%	0.48%
Customer Deposits	149,202	0.72%	6.00%	0.04%
Tax Credits - Zero Cost	-	0.00%	0.00%	0.00%
Tax Credits - Weighted Cost	-	0.00%	0.00%	0.00%
Deferred Income Taxes	28,825	0.14%	0.00%	0.00%
Other (Explain) Short Term Debt	-	0.00%	0.00%	0.00%
<b>Total</b>	\$ <u>20,775,764</u>	<u>100.00%</u>		<u>8.67%</u>

1 If the utility's capital structure is not used, explain which capital structure is used.

\_\_\_\_\_

2 Should equal amounts on Schedule F-6, Column (g).

3 Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

**APPROVED RETURN ON EQUITY**

Current Commission Return on Equity:	<u>12.67%</u>
Commission order approving Return on Equity:	<u>PSC-09-0101-PAA-WS</u>

**APPROVED AFUDC RATE**

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	<u>9.03%</u>
Commission order approving AFUDC rate:	<u>PSC-04-0262-PAA-WS</u>

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.



UTILITY NAME: LAKE UTILITY SERVICES, INC.

#

**YEAR OF REPORT**  
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**UTILITY PLANT  
ACCOUNTS 101 - 106**

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 36,285,692	\$ 15,071,039	\$	\$ 51,356,731
102	Utility Plant Leased to Other				-
103	Property Held for Future Use	-	-		-
104	Utility Plant Purchased or Sold				-
105	Construction Work in Progress	545,085	6,260,825		6,805,910
106	Completed Construction Not Classified				-
	<b>Total Utility Plant</b>	<b>\$ 36,830,776</b>	<b>\$ 21,331,865</b>	<b>\$ -</b>	<b>\$ 58,162,641</b>

**UTILITY PLANT ACQUISITION ADJUSTMENTS  
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately.  
For any acquisition adjustments approved by the Commission, include the Order Number.

ACCT. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$ -	-		-
	<b>Total Plant Acquisition Adjustments</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	Beginning Bal	\$	\$	\$	\$ -
	Accumulated Amortization				
	Accruals charged during year	0	-		
	<b>Total Accumulated Amortization</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0</b>
	<b>Net Acquisition Adjustments</b>	<b>\$ 0</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0</b>

**ACCUMULATED DEPRECIATION ( ACCT. 108 ) AND AMORTIZATION (ACCT. 110)**

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
<b>ACCUMULATED DEPRECIATION</b>				
Account 108				
Balance first of year	\$ 3,673,068	2,022,170	366,525	6,061,763
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 1,108,831	\$ 448,211	\$ -	\$ 1,557,042
Account 108.2 (2)	-	-	-	-
Account 108.3 (2)	-	-	-	-
Other Accounts (specify):	(94,879)	417,255	-	322,376
Beginning Balance Adj	412,232	(258,986)	(366,525)	(213,279)
Other Credits (Specify):				
Total Credits	\$ 1,426,184	\$ 606,480	\$ (366,525)	\$ 1,666,139
Debits during year:				
Book cost of plant retired	262,950	-	-	262,950
Cost of Removal	-	-	-	-
Other Debits (specify):				
Acting adjustments mandated by FPSC	-	-	-	-
Total Debits	\$ 262,950	\$ -	\$ -	\$ 262,950
Balance end of year	\$ <u>4,836,303</u>	\$ <u>2,628,650</u>	\$ <u>-</u>	\$ <u>7,464,952</u>
<b>ACCUMULATED AMORTIZATION</b>				
Account 110				
Balance first of year	\$ -	-	-	-
Credit during year:				
Accruals charged to:				
Account 110.2 (2)	\$ -	\$ -	\$ -	\$ -
Other Accounts (specify):	-	-	-	-
Total credits	\$ -	\$ -	\$ -	\$ -
Debits during year:				
Book cost of plant retired	-	-	-	-
Other debits (specify):				
Total Debits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

- 1 Account 108 for Class B utilities.
- 2 Not applicable for Class B utilities.
- 3 Account 110 for Class B utilities.

UTILITY NAME: LAKE UTILITY SERVICES, INC.

#

<b>YEAR OF REPORT</b> 31-Dec-08
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**REGULATORY COMMISSION EXPENSE  
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
030443-WS	\$ _____	_____	\$ _____ 0
_____	_____	_____	_____
_____	_____	_____	_____
Total	\$ _____	_____	\$ _____ 0

**NONUTILITY PROPERTY (ACCOUNT 121)**

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.  
Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
NONE	\$ _____	\$ _____	\$ _____	\$ _____ -
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Nonutility Property	\$ _____	\$ _____	\$ _____	\$ _____ -

**SPECIAL DEPOSITS ( ACCOUNTS 132 AND 133)**

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): _____	\$ _____ 18,235
_____	_____
_____	_____
Total Special Deposits	\$ _____ 18,235
OTHER SPECIAL DEPOSITS (Account 133): NONE	\$ _____ -
_____	_____
_____	_____
Total Other Special Deposits	\$ _____ -

**INVESTMENTS AND SPECIAL FUNDS  
ACCOUNTS 123 - 127**

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123): NONE <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ _____ - _____ _____ _____ _____
Total Investment in Associated Companies		\$ _____ -
UTILITY INVESTMENTS (Account 124): NONE <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ _____ - _____ _____ _____ _____
Total Utility Investment		\$ _____ -
OTHER INVESTMENTS (Account 125): NONE <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ _____ - _____ _____ _____ _____
Total Other Investment		\$ _____ -
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127): NONE <hr/> <hr/> <hr/> <hr/> <hr/>	\$ _____ _____ _____ _____ _____	\$ _____ - _____ _____ _____ _____
Total Special Funds		\$ _____ -



**ACCOUNTS AND NOTES RECEIVABLE - NET**  
**ACCOUNTS 141 - 144**

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in  
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
<b>CUSTOMER ACCOUNTS RECEIVABLE (Account 141):</b>		
Water	\$ 554,129	
Wastewater	182,843	
Other		
Total Customer Accounts Receivable		\$ 736,972
<b>OTHER ACCOUNTS RECEIVABLE ( Account 142):</b>		
	\$	
Total Other Accounts Receivable		\$ -
<b>NOTES RECEIVABLE (Account 144):</b>		
	\$	
Total Notes Receivable		\$ -
Total Accounts and Notes Receivable		\$ 736,972
<b>ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS ( Account 143 )</b>		
Balance first of year	\$ -	
Provision for uncollectibles for current year	\$	
Collection of accounts previously written off		
Utility Accounts		
Others		
Total Additions		\$ -
Deduct accounts written off during year:		
Utility Accounts		
Others		
Total accounts written off		\$ -
Balance end of year		\$ -
<b>TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET</b>		<b>\$ 736,972</b>



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**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT  
ACCOUNTS 181 AND 251**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181): NONE	\$ _____	\$ _____ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Debt Discount and Expense	\$ _____	\$ _____ -
UNAMORTIZED PREMIUM ON DEBT (Account 251):	\$ _____	\$ _____ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Unamortized Premium on Debt	\$ _____	\$ _____ -

**EXTRAORDINARY PROPERTY LOSSES  
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
NONE	\$ _____ -
_____	_____
_____	_____
Total Extraordinary Property Losses	\$ _____ -

**MISCELLANEOUS DEFERRED DEBITS  
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1)		
RATE CASE	\$ -	\$ 365,236
<b>Total Deferred Rate Case Expense</b>	<b>\$ -</b>	<b>\$ 365,236</b>
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
OTHER DEFERRED MAINTENANCE (NONE)	\$ 21,363	\$ 20,203
<b>Total Other Deferred Debits</b>	<b>\$ 21,363</b>	<b>\$ 20,203</b>
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
NONE	\$ -	\$ -
<b>Total Regulatory Assets</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL MISCELLANEOUS DEFERRED DEBITS</b>	<b>\$ 21,363</b>	<b>\$ 385,439</b>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

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**CAPITAL STOCK  
ACCOUNTS 201 AND 204\***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
<b>COMMON STOCK</b>		
Par or stated value per share		1
Shares authorized		0
Shares issued and outstanding		0
Total par value of stock issued		\$300
Dividends declared per share for year		0
<b>REFERRED STOCK</b>		
Par or stated value per share		0
Shares authorized		0
Shares issued and outstanding		0
Total par value of stock issued		\$0
Dividends declared per share for year		0

\* Account 204 not applicable for Class B utilities.

**BONDS  
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NONE	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ -

\* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

**STATEMENT OF RETAINED EARNINGS**

- 1 Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- 2 Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ 3,441,030
439	Changes to Account: Adjustments to Retained Earnings ( requires Commission approval prior to use): Credits: _____	\$ _____
	Total Credits:	\$ -
	Debits: _____	\$ _____
	Total Debits:	\$ _____
435	Balance Transferred from Income {income/(loss)}	\$ 330,294
436	Appropriations of Retained Earnings: _____	_____
	Total Appropriations of Retained Earnings	\$ _____
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____	_____
	Total Dividends Declared	\$ _____
215	Year end Balance	\$ _____
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____	_____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ <u>3,771,324</u>
Notes to Statement of Retained Earnings:		

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**ADVANCES FROM ASSOCIATED COMPANIES  
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
WATER SERVICE CORPORATION	\$ (4,485,236)
Total	\$ <u>(4,485,236)</u>

**OTHER LONG-TERM DEBT  
ACCOUNT 224**

DESCRIPTION OF OBLIGATION INCLUDING DATE OF ISSUE AND DATE OF MATURITY (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NONE	%		\$ -
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ <u>-</u>

\* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

UTILITY NAME: LAKE UTILITY SERVICES, INC.

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**NOTES PAYABLE  
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE ( Account 232): NONE			\$ -
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
Total Account 232			\$ -
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234): NONE			\$ -
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
_____	_____ %	_____	_____
Total Account 234			\$ -

\* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES  
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION	TOTAL (b)
WATER SERVICE CORPORATION	\$ 5,626,529
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total	\$ 5,626,529



#

ACCRUED INTEREST AND EXPENSE  
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt	\$		\$	\$	
UTILITIES INC INTERCOMPANY INTEREST			499,730	499,730	
Total Account 237.1	\$ -		\$ 499,730	\$ 499,730	\$ -
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities	\$		\$	\$	
Customer Deposits			11,513	11,513	4,538
MISC ITEMS					
Total Account 237.2	\$ -		\$ 11,513	\$ 11,513	\$ 4,538
Total Account 237 (1)	\$ -		\$ 511,243	\$ 511,243	\$ 4,538
INTEREST EXPENSED:					
Total accrual Account 237			\$ 511,243		
Short Term Interest Expense			(722)		
Net Interest Expensed to Account No. 427 (2)			\$ 510,522		

(1) Must agree to F-2 (a), Beginning and  
Ending Balance of Accrued Interest.

(2) Must agree to F-3 (c), Current  
Year Interest Expense

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UTILITY NAME: LAKE UTILITY SERVICES, INC.

MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES  
ACCOUNT 241

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
NONE	\$ -
Total Miscellaneous Current and Accrued Liabilities	\$ -

ADVANCES FOR CONSTRUCTION  
ACCOUNT 252

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
NONE	\$ 38,400				\$ 38,400
Total	\$ 38,400				\$ 38,400

\* Report advances separately by reporting group, designating water or wastewater in column (a).

UTILITY NAME: LAKE UTILITY SERVICES, INC.

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**OTHER DEFERRED CREDITS  
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1):  NONE _____ _____ _____	\$ _____ _____ _____	\$ _____ - _____ _____
Total Regulatory Liabilities	\$ _____	\$ _____ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):  _____ _____ _____ _____ _____ _____ _____	\$ _____ _____ _____ _____ _____ _____	\$ _____ - _____ _____ _____ _____ _____
Total Other Deferred Liabilities	\$ _____	\$ _____ -
<b>TOTAL OTHER DEFERRED CREDITS</b>	\$ _____	\$ _____ -

**CONTRIBUTIONS IN AID OF CONSTRUCTION**  
**ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>16,940,555</u>	\$ <u>9,904,516</u>	\$ <u>-</u>	\$ <u>26,845,071</u>
Add credits during year:	\$ <u>72,395</u>	\$ <u>991,416</u>	\$ <u>-</u>	\$ <u>1,063,811</u>
Less debit charged during the year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total Contribution In Aid of Construction	\$ <u>17,012,950</u>	\$ <u>10,895,932</u>	\$ <u>-</u>	\$ <u>27,908,882</u>

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION**  
**ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>2,662,760</u>	\$ <u>1,099,336</u>	\$ <u>-</u>	\$ <u>3,762,096</u>
Debits during the year:	\$ <u>436,702</u>	\$ <u>320,028</u>	\$ <u>-</u>	\$ <u>756,730</u>
Credits during the year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u>3,099,462</u>	\$ <u>1,419,364</u>	\$ <u>-</u>	\$ <u>4,518,826</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

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**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)**

- 1 The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
- 2 If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ 330,294
Reconciling items for the year:		
Taxable income not reported on books:		
Tap Fees		1,073,017
Deductions recorded on books not deducted for return:		
Amortization ITC		
Excess Tax Depreciation over Book Depreciation		(486,766)
Tap in Fees		
CIA Property		
Int During Construction		(621,743)
Def. Maint. CY additions		(1,354)
Def. Maint. CY amortization		9,298
Def. Rate Case CY additions		(295,570)
Def. Rate Case CY amortization		28,084
Organization Exp-Amort		(8,135)
Bad Debts CY		
Current FIT (725)		(47,919)
Deferred FIT (731)		(102,338)
Deferred SIT (732)		(17,519)
Current SIT		
Income recorded on books not included in return:		
Interest During Construction		
Misc.		(2,239)
Deduction on return not charged against book income:		
Meals		1,953
Federal tax net income		\$ (140,937)
Computation of tax :		
	(140,937)	
	34%	
	(47,919)	

**WATER  
OPERATION  
SECTION**



**WATER LISTING OF SYSTEM GROUPS**

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The water financial schedules (W-2 through W-10) should be filed for the group in total.

The water engineering schedules (W-11 through W-15) must be filed for each system in the group.

All of the following water pages (W-2 through W-15) should be completed for each group and arranged by group number.

<b>SYSTEM NAME / COUNTY</b>	<b>CERTIFICATE NUMBER</b>	<b>GROUP NUMBER</b>
FOUR LAKES/LAKE	496 W	
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____



UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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**WATER LISTING OF SYSTEM GROUPS**

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The water financial schedules (W-2 through W-10) should be filed for the group in total.

The water engineering schedules (W-11 through W-15) must be filed for each system in the group.

All of the following water pages (W-2 through W-15) should be completed for each group and arranged by group number.

<b>SYSTEM NAME / COUNTY</b>	<b>CERTIFICATE NUMBER</b>	<b>GROUP NUMBER</b>
<u>LAKE GROVES / LAKE</u>	<u>534W</u>	<u></u>
<u>AMBER HILL/LAKE</u>	<u>496W</u>	<u></u>
<u>CLERMONT I/LAKE</u>	<u>496W</u>	<u></u>
<u>CLERMONT II/LAKE</u>	<u>496W</u>	<u></u>
<u>CRESCENT BAY/LAKE</u>	<u>496W</u>	<u></u>
<u>CRESCENT WEST/LAKE</u>	<u>496W</u>	<u></u>
<u>HIGHLAND POINT/LAKE</u>	<u>496W</u>	<u></u>
<u>LAKE CRESCENT HILLS/LAKE</u>	<u>496W</u>	<u></u>
<u>LAKE RIDGE CLUB/LAKE</u>	<u>496W</u>	<u></u>
<u>ORANGES/LAKE</u>	<u>496W</u>	<u></u>
<u>PRESTON COVE/LAKE</u>	<u>496W</u>	<u></u>
<u>SOUTH CLERMONT (EDB)/LAKE</u>	<u>496W</u>	<u></u>
<u>VISTAS/LAKE</u>	<u>496W</u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY :

Martin County

**SCHEDULE OF YEAR END WATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 36,285,692
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	4,836,303
110	Accumulated Amortization	F-8	-
271	Contributions In Aid of Construction	W-7	17,012,950
252	Advances for Construction	F-20	38,400
Subtotal			\$ 14,398,039
272	Add: Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 3,099,462
Subtotal			\$ 17,497,501
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	(0)
	Working Capital Allowance (3)		234,802
	Other (Specify):		
WATER RATE BASE			\$ 17,732,303
WATER OPERATING INCOME		W-3	\$ (6,057)
RN (Water Operating Income / Water Rate Base)			<u>-0.03%</u>

NOTES (1) Estimate based on the methodology used in the last rate proceeding.

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY :

Martin County

**WATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
	<b>UTILITY OPERATING INCOME</b>		
400	Operating Revenues	W-9	\$ 2,896,377
469	Less: Guaranteed Revenue and AFPI	W-9	-
	Net Operating Revenues		\$ 2,896,377
401	Operating Expenses	W-10(a)	\$ 1,878,412
403	Depreciation Expense	W-6(a)	1,108,831
	Less: Amortization of CIAC	W-8(a)	(435,907)
	Net Depreciation Expense		\$ 672,924
406	Amortization of Utility Plant Acquisition Adjustment	F-7	(0)
407	Amortization Expense (Other than CIAC)	F-8	-
408.1	Taxes Other Than Income		
	Utility Regulatory Assessment Fee		118
408.11	Property Taxes		291,009
408.12	Payroll Taxes		52,025
408.13	Other Taxes and Licenses		135,737
408	Total Taxes Other Than Income		\$ 478,889
409.1	Income Taxes		(37,671)
410.1	Deferred Federal Income Taxes		(76,948)
410.11	Deferred State Income Taxes		(13,173)
411.1	Deferred Income Taxes - Credit		-
412.1	Investment Tax Credits Deferred to Future Periods		-
412.11	Investment Tax Credits Amortized		-
	Utility Operating Expenses		\$ 2,902,434
	Utility Operating Income		\$ (6,057)
	<b>Add Back:</b>		
469	Guaranteed Revenue (and AFPI)	W-9	\$ -
413	Income From Utility Plant Leased to Others		12,311
414	Gains (losses) From Disposition of Utility Property		3,118
420	Allowance for Funds Used During Construction		473,854
	Total Utility Operating Income		\$ 483,226

YEAR OF REPORT  
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12/31/2008

UTILITY NAME: LAKE UTILITY SERVICES INC

SYSTEM NAME / COUNTY : Martin County

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 27,529	\$ 57,557	\$ 41,347.45	\$ 43,739
302	Franchises		22,331		22,331
303	Land and Land Rights	145,639	(22,462)		123,177
304	Structures and Improvements	2,904,330	6,692,981		9,597,311
305	Collecting and Impounding Reservoirs		-		-
306	Lake, River and Other Intakes		-		-
307	Wells and Springs	2,327,823	253,856		2,581,679
308	Infiltration Galleries and Tunnels		-		-
309	Supply Mains		272,406		272,406
310	Power Generation Equipment		98,126		98,126
311	Pumping Equipment	494,026	403,258	221,602.31	675,681
320	Water Treatment Equipment	297,729	33,675		331,404
330	Distribution Reservoirs and Standpipes	3,037,181	134,751		3,171,932
331	Transmission and Distribution Mains	14,830,337	86,194		14,916,531
333	Services	1,919,640	2,723		1,922,363
334	Meters and Meter Installations	393,310	29,222		422,532
335	Hydrants	790,768	2,293		793,061
336	Backflow Prevention Devices		917		917
339	Other Plant Miscellaneous Equipment		2,008		2,008
340	Office Furniture and Equipment	191,266	703,912		895,178
341	Transportation Equipment	395,819	(134,082)		261,737
342	Stores Equipment		265		265
343	Tools, Shop and Garage Equipment	86,095	21,157		107,252
344	Laboratory Equipment	14,858	(3,200)		11,658
345	Power Operated Equipment		2,601		2,601
346	Communication Equipment		28,451		28,451
347	Miscellaneous Equipment		606		606
348	Other Tangible Plant	123,610	(120,863)		2,747
<b>TOTAL WATER PLANT</b>		<b>\$ 27,979,960</b>	<b>\$ 8,568,682</b>	<b>\$ 262,950</b>	<b>\$ 36,285,692</b>

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

12/31/2008

LAKE UTILITY SERVICES INC

UTILITY NAME:

SYSTEM NAME / COUNTY : Martin County

WATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
(a)		(c)	(d)	(e)	(f)	(g)	(h)
301	Organization	\$ 43,739	\$ 43,739				
302	Franchises	22,331	22,331				
303	Land and Land Rights	123,177		123,177			
304	Structures and Improvements	9,597,311		122,162	9,181,207	2,510	291,433
305	Collecting and Impounding Reservoirs	-		-			
306	Lake, River and Other Intakes	-		-			
307	Wells and Springs	2,581,679		2,581,679			
308	Infiltration Galleries and Tunnels	-		-			
309	Supply Mains	272,406		272,406			
310	Power Generation Equipment	98,126		98,126			
311	Pumping Equipment	675,681		675,681			
320	Water Treatment Equipment	331,404			331,404		
330	Distribution Reservoirs and Standpipes	3,171,932				3,171,932	
331	Transmission and Distribution Mains	14,916,531				14,916,531	
333	Services	1,922,363				1,922,363	
334	Meters and Meter Installations	422,532				422,532	
335	Hydrants	793,061				793,061	
336	Backflow Prevention Devices	917				917	
339	Other Plant Miscellaneous Equipment	2,008				2,008	
340	Office Furniture and Equipment	895,178					895,178
341	Transportation Equipment	261,737					261,737
342	Stores Equipment	265					265
343	Tools, Shop and Garage Equipment	107,252					107,252
344	Laboratory Equipment	11,658					11,658
345	Power Operated Equipment	2,601					2,601
346	Communication Equipment	28,451					28,451
347	Miscellaneous Equipment	606					606
348	Other Tangible Plant	2,747					2,747
TOTAL WATER PLANT		\$ 36,285,692	\$ 66,070	\$ 3,873,230	\$ 9,512,611	\$ 21,231,853	\$ 1,601,927

GROUP \_\_\_\_\_

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> <b>31-Dec-08</b>
---

SYSTEM NAME / COUNTY : Martin County

**BASIS FOR WATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
301	Organization	40		2.50%
302	Franchises	40		2.50%
304	Structures and Improvements	32		3.13%
304	Structures and Improvements - General	40		2.50%
305	Collecting and Impounding Reservoirs	50		2.00%
306	Lake, River and Other Intakes	40		2.50%
307	Wells and Springs	30		3.33%
308	Infiltration Galleries and Tunnels	40		2.50%
309	Supply Mains	35		2.86%
310	Power Generation Equipment	20		5.00%
311	Pumping Equipment	20		5.00%
320	Water Treatment Equipment	22		4.55%
330	Distribution Reservoirs and Standpipes	37		2.70%
331	Transmission and Distribution Mains	43		2.33%
333	Services	40		2.50%
334	Meters and Meter Installations	20		5.00%
335	Hydrants	45		2.22%
336	Backflow Prevention Devices	15		6.67%
339	Other Plant Miscellaneous Equipment	25		4.00%
340	Office Furniture and Equipment	15		6.67%
340	Office Furniture and Equipment - Computers	6		16.67%
341	Transportation Equipment	6		16.67%
342	Stores Equipment	18		5.56%
343	Tools, Shop and Garage Equipment	16		6.25%
344	Laboratory Equipment	15		6.67%
345	Power Operated Equipment	12		8.33%
346	Communication Equipment	10		10.00%
347	Miscellaneous Equipment	15		6.67%
348	Other Tangible Plant	10		10.00%
Water Plant Composite Depreciation Rate *				

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

**YEAR OF REPORT**  
31-Dec-08

SYSTEM NAME / COUNTY : Martin County

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d+e) (f)
301	Organization	\$	2,966	16,531	19,497
302	Franchises		272	271	543
304	Structures and Improvements	415,631	320,306	(76,134)	244,172
305	Collecting and Impounding Reservoirs		-		-
306	Lake, River and Other Intakes		-		-
307	Wells and Springs	363,777	88,371		88,371
308	Infiltration Galleries and Tunnels		-		-
309	Supply Mains		4,400		4,400
310	Power Generation Equipment		245		245
311	Pumping Equipment	60,697	38,899	(23,707)	15,192
320	Water Treatment Equipment	105,271	15,273		15,273
330	Distribution Reservoirs and Standpipes	409,116	83,981		83,981
331	Transmission and Distribution Mains	1,749,935	351,454		351,454
333	Services	283,569	48,495		48,495
334	Meters and Meter Installations	124,582	20,690		20,690
335	Hydrants	81,618	17,363		17,363
336	Backflow Prevention Devices		8		8
339	Other Plant Miscellaneous Equipment		1		1
340	Office Furniture and Equipment	44,770	81,600	158,192	239,792
341	Transportation Equipment	266,675	27,808	(69,437)	(41,629)
342	Stores Equipment		-		-
343	Tools, Shop and Garage Equipment	20,746	6,304	19,673	25,977
344	Laboratory Equipment	15,299	185	(16,107)	(15,922)
345	Power Operated Equipment		4		4
346	Communication Equipment	(1,082)	208	40,516	40,724
347	Miscellaneous Equipment		-		-
348	Other Tangible Plant	144,696	-	(144,677)	(144,677)
<b>TOTAL WATER ACCUMULATED DEPRECIATION</b>		<b>\$ 4,085,300</b>	<b>\$ 1,108,831</b>	<b>\$ (94,879)</b>	<b>\$ 1,013,952</b>

\* Specify nature of transaction  
Use ( ) to denote reversal entries.

OTHER CREDITS column (E) \* are due to allocation of UIF plant

W-6(a)  
GROUP \_\_\_\_\_

UTILITY NAME: LAKE UTILITY SERVICES INC

12/31/2008

YEAR OF REPORT  
31-Dec-08

SYSTEM NAME / COUNTY : Marlin County

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO.	ACCOUNT NAME	PLANT RETIRED	SALVAGE AND INSURANCE	COST OF REMOVAL AND OTHER CHARGES	TOTAL CHARGES	BALANCE AT END OF YEAR
(a)	(b)	(g)	(h)	(i)	(j)	(k)
301	Organization	41,347	-	-	41,347	(21,850)
302	Franchises	-	-	-	-	543
304	Structures and Improvements	-	-	-	-	659,803
305	Collecting and Impounding Reservoirs	-	-	-	-	-
306	Lake, River and Other Intakes	-	-	-	-	-
307	Wells and Springs	-	-	-	-	452,148
308	Infiltration Galleries and Tunnels	-	-	-	-	-
309	Supply Mains	-	-	-	-	4,400
310	Power Generation Equipment	-	-	-	-	245
311	Pumping Equipment	221,602	-	-	221,602	(145,714)
320	Water Treatment Equipment	-	-	-	-	120,544
330	Distribution Reservoirs and Standpipes	-	-	-	-	493,097
331	Transmission and Distribution Mains	-	-	-	-	2,101,389
333	Services	-	-	-	-	332,064
334	Meters and Meter Installations	-	-	-	-	145,272
335	Hydrants	-	-	-	-	98,981
336	Backflow Prevention Devices	-	-	-	-	8
339	Other Plant Miscellaneous Equipment	-	-	-	-	1
340	Office Furniture and Equipment	-	-	-	-	284,562
341	Transportation Equipment	-	-	-	-	225,046
342	Stores Equipment	-	-	-	-	-
343	Tools, Shop and Garage Equipment	-	-	-	-	46,723
344	Laboratory Equipment	-	-	-	-	(623)
345	Power Operated Equipment	-	-	-	-	4
346	Communication Equipment	-	-	-	-	39,642
347	Miscellaneous Equipment	-	-	-	-	-
348	Other Tangible Plant	-	-	-	-	19
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 262,950	\$ -	\$ -	\$ 262,950	\$ 4,836,303





UTILITY NAME: LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> <b>31-Dec-08</b>
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SYSTEM NAME / COUNTY : Martin County

**WATER CIAC SCHEDULE "A"**

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,  
 MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
<b>WATER CONNECTIONS FEES</b>		\$	\$ 81,603
Total Credits			\$ 81,603

**ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 15,201,268
Debits during the year:	
Accruals charged to Account 272	\$ 435,907
Other debits (specify) :	
_____	_____
_____	_____
Total debits	\$ 435,907
Credits during the year (specify) :	
_____	\$ 12,101,806
_____	_____
Total credits	\$ 12,101,806
Balance end of year	\$ 3,099,462

UTILITY NAME: LAKE UTILITY SERVICES INC

12/31/2008

**YEAR OF REPORT**  
**31-Dec-08**

SYSTEM NAME / COUNTY : Martin County

**WATER CIAC SCHEDULE "B"**  
ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION  
RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS  
WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
NONE		\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Credits		\$ _____ 0

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY : Martin County

**WATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$ -
461.1	Metered Water Revenue: Sales to Residential Customers	8,659	9,399	2,673,374
461.2	Sales to Commercial Customers	8		189,411
461.3	Sales to Industrial Customers			-
461.4	Sales to Public Authorities			-
461.5	Sales Multiple Family Dwellings			1,249
461.6	Other Revenues			-
Total Metered Sales		8,667	9,399	\$ 2,864,033
462.1	Fire Protection Revenue: Public Fire Protection			-
462.2	Private Fire Protection			-
Total Fire Protection Revenue				\$ -
464	Other Sales To Public Authorities			-
465	Sales To Irrigation Customers			-
466	Sales For Resale			-
467	Interdepartmental Sales			-
Total Water Sales		8,667	9,399	\$ 2,864,033
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$ -
470	Forfeited Discounts			-
471	Miscellaneous Service Revenues			17,826
472	Rents From Water Property			-
473	Interdepartmental Rents			-
474	Other Water Revenues			14,518
Total Other Water Revenues				\$ 32,344
Total Water Operating Revenues				\$ 2,896,377

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.  
Accruals are recorded in account 461.1.



UTILITY NAME: LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> <b>31-Dec-08</b>
---

SYSTEM NAME / COUNTY : Martin County

**WATER UTILITY EXPENSE ACCOUNTS**

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ 487,002	\$ 52,801	\$ 52,801
603	Salaries and Wages - Officers, Directors and Majority Stockholders	49,174	-	-
604	Employee Pensions and Benefits	161,056	15,860	15,860
610	Purchased Water	-	-	-
615	Purchased Power	448,949	-	-
616	Fuel for Power Purchased	-	-	-
618	Chemicals	136,419	22,737	22,737
620	Materials and Supplies	65,517	8,190	8,190
631	Contractual Services-Engineering	260	-	-
632	Contractual Services - Accounting	9,178	-	-
633	Contractual Services - Legal	6,114	-	-
634	Contractual Services - Mgt. Fees	-	-	-
635	Contractual Services - Testing	21,680	3,613	3,613
636	Contractual Services - Other	56,995	7,124	7,124
641	Rental of Building/Real Property	-	-	-
642	Rental of Equipment	-	-	-
650	Transportation Expenses	66,624	8,328	8,328
656	Insurance - Vehicle	-	-	-
657	Insurance - General Liability	-	-	-
658	Insurance - Workman's Comp.	-	-	-
659	Insurance - Other	69,411	8,676	8,676
660	Advertising Expense	52	-	-
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	-	-	-
667	Regulatory Commission Exp.-Other	9,159	-	-
668	Water Resource Conservation Exp.	-	-	-
670	Bad Debt Expense	29,361	-	-
675	Miscellaneous Expenses	261,461	32,683	32,683
Total Water Utility Expenses		\$ 1,878,412	\$ 160,012	\$ 160,012



W-10(a)  
GROUP \_\_\_\_\_

UTILITY NAME: LAKE UTILITY SERVICES INC #

SYSTEM NAME / COUNTY : Martin County

**WATER EXPENSE ACCOUNT MATRIX**

<b>.3</b> <b>WATER TREATMENT EXPENSES - OPERATIONS</b> <b>(f)</b>	<b>.4</b> <b>WATER TREATMENT EXPENSES - MAINTENANCE</b> <b>(g)</b>	<b>.5</b> <b>TRANSMISSION &amp; DISTRIBUTION EXPENSES - OPERATIONS</b> <b>(h)</b>	<b>.6</b> <b>TRANSMISSION &amp; DISTRIBUTION EXPENSES - MAINTENANCE</b> <b>(i)</b>	<b>.7</b> <b>CUSTOMER ACCOUNTS EXPENSE</b> <b>(j)</b>	<b>.8</b> <b>ADMIN. &amp; GENERAL EXPENSES</b> <b>(k)</b>
\$ 52,801	\$ 52,801	\$ 52,801	\$ 52,801	\$ 32,760	\$ 137,436
-	-	-	-	-	49,174
15,860	15,860	15,860	15,860	9,841	56,054
448,949					
-					
22,737	22,737	22,737	22,737		
8,190	8,190	8,190	8,190	8,190	8,190
-	-	260	-	-	-
-	-	-	-	-	9,178
-	-	-	-	-	6,114
-	-	-	-	-	-
3,613	3,613	3,613	3,613	-	-
7,124	7,124	7,124	7,124	7,124	7,124
-	-	-	-	-	-
-	-	-	-	-	-
8,328	8,328	8,328	8,328	8,328	8,328
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
8,676	8,676	8,676	8,676	8,676	8,676
					52
					9,159
				29,361	
32,683	32,683	32,683	32,683	32,683	32,683
\$ 608,961	\$ 160,012	\$ 160,272	\$ 160,012	\$ 136,963	\$ 332,167

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
------------------------------------

SYSTEM NAME / COUNTY LAKE SAUNDERS / LAKE

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE ( Omit 000's ) (b)	FINISHED WATER PUMPED FROM WELLS ( Omit 000's ) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED ( Omit 000's ) [ (b)+(c)-(d) ] (e)	WATER SOLD TO CUSTOMERS ( Omit 000's ) (f)
January		0.392	0.270	0.122	0.000
February		0.444	0.264	0.180	0.406
March		0.491	0.183	0.308	0.000
April		0.496	0.180	0.316	0.373
May		0.730	0.317	0.413	0.000
June		0.589	0.306	0.283	0.458
July		0.538	0.316	0.222	0.000
August		0.599	0.316	0.283	0.065
September		0.599	0.306	0.293	0.338
October		0.755	0.314	0.441	0.782
November		0.780	0.306	0.474	0.000
December		0.748	0.491	0.257	0.512
Total for Year		7.161	3.569	3.592	2.934

If water is purchased for resale, indicate the following:

Vendor NONE

Point of delivery NONE

If water is sold to other water utilities for redistribution, list names of such utilities below:

NONE

Based on 16/hrs/day

each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
WELL #1	300 gpm	288,000	Groundwater
WELL #2	300 gpm	288,000	Groundwater

W-11

GROUP \_\_\_\_\_

SYSTEM \_\_\_\_\_

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
------------------------------------

SYSTEM NAME / COUNTY LAKE SAUNDERS / LAKE

**WATER TREATMENT PLANT INFORMATION**

Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>0.432 mgd</u>
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellhead</u>
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination, Iron removal</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer: <u>N/A</u>



UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
------------------------------------

SYSTEM NAME / COUNTY :

LAKE SAUNDERS / LAKE

**CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	45	45
5/8"	Displacement	1.0		
3/4"	Displacement	1.5		
1"	Displacement	2.5		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0		
Total Water System Meter Equivalents				45

**CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:  
 $ERC = ( \text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day} )$

ERC Calculation:

$$2.934/365/350=23$$

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

YEAR OF REPORT  
31-Dec-08

SYSTEM NAME / COUNTY LAKE SAUNDERS / LAKE

**OTHER WATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's \* the system can efficiently serve. 100
2. Maximum number of ERCs \* which can be served. 100
3. Present system connection capacity (in ERCs \*) using existing lines. 100
4. Future connection capacity (in ERCs \*) upon service area buildout. 100
5. Estimated annual increase in ERCs \*. 0 - 1
6. Is the utility required to have fire flow capacity? Yes  
If so, how much capacity is required? 500 gpm
7. Attach a description of the fire fighting facilities. 4 Hydrants
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system.  
\_\_\_\_\_  
\_\_\_\_\_
9. When did the company last file a capacity analysis report with the DEP? N/A
10. If the present system does not meet the requirements of DEP rules:
  - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
  - b. Have these plans been approved by DEP? N/A
  - c. When will construction begin? N/A
  - d. Attach plans for funding the required upgrading.
  - e. Is this system under any Consent Order with DEP? No
11. Department of Environmental Protection ID # 3354695
12. Water Management District Consumptive Use Permit # 20-069-50094-4
  - a. Is the system in compliance with the requirements of the CUP? Yes
  - b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> <b>31-Dec-08</b>
---

SYSTEM NAME / COUNTY FOUR LAKES / LAKE

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE ( Omit 000's ) (b)	FINISHED WATER PUMPED FROM WELLS ( Omit 000's ) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED ( Omit 000's ) [ (b)+(c)-(d) ] (e)	WATER SOLD TO CUSTOMERS ( Omit 000's ) (f)
January		0.598	0.006	0.592	0.000
February		0.674	0.006	0.668	1.246
March		0.914	0.007	0.907	0.000
April		1.148	0.006	1.142	2.014
May		1.734	0.007	1.727	0.000
June		1.079	0.006	1.073	1.603
July		0.707	0.007	0.700	0.002
August		0.843	0.007	0.836	1.311
September		0.978	0.006	0.972	0.375
October		0.994	0.007	0.987	2.558
November		0.924	0.006	0.918	0.000
December		0.859	0.007	0.852	1.597
Total for Year		11.452	0.078	11.374	10.706

If water is purchased for resale, indicate the following:

Vendor None

Point of delivery \_\_\_\_\_

If water is sold to other water utilities for redistribution, list names of such utilities below:

None

Based on 16hrs/day

each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well # 1	105 gpm	100,800	Groundwater
Well # 2	105 gpm	100,800	Groundwater
_____	_____	_____	_____
_____	_____	_____	_____

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

**YEAR OF REPORT**  
31-Dec-08

SYSTEM NAME / COUNTY FOUR LAKES / LAKE

**WATER TREATMENT PLANT INFORMATION**

Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>0.088 mgd</u>
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellhead</u>
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer: <u>N/A</u>



UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

YEAR OF REPORT  
31-Dec-08

SYSTEM NAME / COUNTY FOUR LAKES / LAKE

**OTHER WATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's \* the system can efficiently serve. 251

2. Maximum number of ERCs \* which can be served. 251

3. Present system connection capacity (in ERCs \*) using existing lines. 251

4. Future connection capacity (in ERCs \*) upon service area buildout. 251

5. Estimated annual increase in ERCs \*. 0 - 1

6. Is the utility required to have fire flow capacity? No  
If so, how much capacity is required? \_\_\_\_\_

7. Attach a description of the fire fighting facilities. N/A

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. When did the company last file a capacity analysis report with the DEP? N/A

10. If the present system does not meet the requirements of DEP rules:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? N/A

c. When will construction begin? N/A

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? No

11. Department of Environmental Protection ID # 3354647

12. Water Management District Consumptive Use Permit # N/A

a. Is the system in compliance with the requirements of the CUP? N/A

b. If not, what are the utility's plans to gain compliance? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* An ERC is determined based on the calculation on the bottom of Page W-13.

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

**YEAR OF REPORT**

**31-Dec-08**

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
COMBINED

**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	*WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January		186.709	0.488	186.221	165.008
February		188.624	0.496	188.128	157.059
March		205.218	0.626	204.592	126.869
April		228.988	0.524	228.464	158.436
May		283.171	0.598	282.573	193.254
June		225.846	0.612	225.234	214.500
July		166.435	1.925	164.510	172.942
August		151.475	1.204	150.271	146.708
September		193.863	1.020	192.843	126.080
October		201.193	0.800	200.393	172.708
November		201.806	1.159	200.647	154.866
December		180.699	1.065	179.634	185.742
Total for Year		2,414.027	10.517	2,403.510	1,974.172

If water is purchased for resale, indicate the following:

Vendor None

Point of delivery \_\_\_\_\_

If water is sold to other water utilities for redistribution, list names of such utilities below:

NOTE: Above figures include Amber Hill, Clermont I, Clermont II, Crescent Bay, Crescent West, Highland Point, CR 561, Lake Crescent Hills, Lake Groves, Lake Louisa, Lake Ridge Club, Oranges, and The Vistas water production sites.

Above systems are all interconnected and all are owned by Lake Utility Services, Inc.

Four Lakes and Lake Saunders are not interconnected with the above systems.

Based on 16hrs/day

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well #1 (Amber Hill)	550 gpm	528,000	Upper Floridan Aquifer
Well #1 (Clermont I)	60 gpm	57,600	Upper Floridan Aquifer
Well #2 (Clermont I)	110 gpm	105,600	Upper Floridan Aquifer
Well #1 (Clermont II)	44 gpm	42,240	Upper Floridan Aquifer
CONTINUED ON NEXT PAGE			

Based on 16hrs/day

12/31/2008

LIST OF EACH SOURCE OF SUPPLY CONTINUED	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
Well #2 (Clermont II)	55 gpm	52,800	Upper Floridan Aquifer
Well #1 (Crescent Bay)	700 gpm	672,000	Upper Floridan Aquifer
Well #1 (Crescent West)	700 gpm	672,000	Upper Floridan Aquifer
Well #1 (Highland Point)	750 gpm	720,000	Upper Floridan Aquifer
Well #1 (Lake Crescent Hills)	700 gpm	672,000	Upper Floridan Aquifer
Well #1 (Lake Ridge Club)	550 gpm	528,000	Upper Floridan Aquifer
Well #1 (Oranges)	550 gpm	528,000	Upper Floridan Aquifer
Well #1 (Vistas)	700 gpm	672,000	Upper Floridan Aquifer
Well #2 (Vistas)	700 gpm	672,000	Upper Floridan Aquifer
Well #3 (Vistas)	625 gpm	600,000	Upper Floridan Aquifer
Well #1 (Lake Groves)	2000 gpm	1,920,000	Upper Floridan Aquifer
Well #2 (Lake Groves)	2400 gpm	2,304,000	Upper Floridan Aquifer
Well #3 (Lake Groves)	3000 gpm	2,880,000	Lower Floridan Aquifer



UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

**YEAR OF REPORT**  
31-Dec-08

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
AMBER HILL

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>468,000</u>
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellhead</u>
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>NA</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer: <u>N/A</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
------------------------------------

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
CLERMONT I

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>115,000</u>
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellhead</u>
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer: <u>N/A</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
------------------------------------

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
CLERMONT II

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>71,000</u>
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellhead</u>
<b>Type of treatment (reverse osmosis, (sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer: <u>N/A</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

**YEAR OF REPORT**  
31-Dec-08

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
CRESCENT BAY

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>396,000</u>	
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellhead</u>	
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>	
<b>LIME TREATMENT</b>		
Unit rating (i.e., GPM, pounds per gallon):	<u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>		
Type and size of area:		
Pressure (in square feet):	<u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet)	<u>N/A</u>	Manufacturer: <u>N/A</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
------------------------------------

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
COUNTY ROAD 561 WTP

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>2,592,000</u>
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellheads, 3 Wells</u>
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer: <u>N/A</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

**YEAR OF REPORT**  
31-Dec-08

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
LAKE GROVES

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>6,000,000</u>	
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellheads, 3 wells</u>	
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Packed tower aeration, pH adjustment, Chlorination</u>	
<b>LIME TREATMENT</b>		
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer:	<u>N/A</u>
<b>FILTRATION</b>		
Type and size of area:		
Pressure (in square feet): <u>N/A</u>	Manufacturer:	<u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer:	<u>N/A</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

**YEAR OF REPORT**  
31-Dec-08

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
LAKE LOUISA

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>1,944,000</u>	
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellheads, 2 wells</u>	
<b>Type of treatment (reverse osmosis, (sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>	
<b>LIME TREATMENT</b>		
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer:	<u>N/A</u>
<b>FILTRATION</b>		
Type and size of area:		
Pressure (in square feet): <u>N/A</u>	Manufacturer:	<u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer:	<u>N/A</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

**YEAR OF REPORT**  
31-Dec-08

**SYSTEM NAME / COUNTY** LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
LAKE RIDGE CLUB

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>396,000</u>
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellhead</u>
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer: <u>N/A</u>



UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

**YEAR OF REPORT**  
**31-Dec-08**

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
ORANGES

**WATER TREATMENT PLANT INFORMATION**

Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>396,000</u>
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellhead</u>
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer: <u>N/A</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
VISTAS

**WATER TREATMENT PLANT INFORMATION**  
Provide a separate sheet for each water treatment facility

<b>Permitted Capacity of Plant (GPD):</b>	<u>822,000</u>
<b>Location of measurement of capacity (i.e. Wellhead, Storage Tank):</b>	<u>Wellhead, Vistas #2</u>
<b>Type of treatment (reverse osmosis, sedimentation, chemical, aerated, etc.):</b>	<u>Chlorination</u>
<b>LIME TREATMENT</b>	
Unit rating (i.e., GPM, pounds per gallon): <u>N/A</u>	Manufacturer: <u>N/A</u>
<b>FILTRATION</b>	
Type and size of area:	
Pressure (in square feet): <u>N/A</u>	Manufacturer: <u>N/A</u>
Gravity (in GPM/square feet) <u>N/A</u>	Manufacturer: <u>N/A</u>

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY :

LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
COMBINED

**CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS**

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0	8,385	8,385
5/8"	Displacement	1.0	87	87
3/4"	Displacement	1.5		
1"	Displacement	2.5	90	225.0
1 1/2"	Displacement or Turbine	5.0	16	80
2"	Displacement, Compound or Turbine	8.0	30	240
3"	Displacement	15.0	1	15
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0	3	75
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0	2	90
10"	Compound	115.0		
10"	Turbine	145.0	1	145
12"	Turbine	215.0		
Total Water System Meter Equivalents				<u>9,342</u>

**CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- (a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- (b) If no historical flow data are available, use:  
ERC = ( Total SFR gallons sold (Omit 000) / 365 days / 350 gallons per day )

ERC Calculation:

$$1,974.172/365/350=15.453$$

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

YEAR OF REPORT  
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SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS  
COMBINED

**OTHER WATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's \* the system can efficiently serve. 10,790

2. Maximum number of ERCs \* which can be served. 10,790

3. Present system connection capacity (in ERCs \*) using existing lines. 9,000

4. Future connection capacity (in ERCs \*) upon service area buildout. N/A - Interconnected system

5. Estimated annual increase in ERCs \*. 250

6. Is the utility required to have fire flow capacity? Yes

If so, how much capacity is required? 500 - 1500 gpm

7. Attach a description of the fire fighting facilities. Hydrants throughout service area. All systems are interconnected.

8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. \_\_\_\_\_

9. When did the company last file a capacity analysis report with the DEP? 2001

10. If the present system does not meet the requirements of DEP rules:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? N/A

c. When will construction begin? N/A

d. Attach plans for funding the required upgrading.

e. Is this system under any Consent Order with DEP? No

11. Department of Environmental Protection ID # See Attached

12. Water Management District Consumptive Use Permit # See Attached

a. Is the system in compliance with the requirements of the CUP? No

b. If not, what are the utility's plans to gain compliance? A CUP renewal package for LUSI South was submitted to the St. John's River WMD requesting an increase in permitted annual withdrawal. A separate CUP package has been submitted in 2007 to combine the two separate CUPs into one.

\* An ERC is determined based on the calculation on the bottom of Page W-13.

11. Department of Environmental Protection ID #:

12/31/2008

<u>System</u>	<u>PWS ID #</u>
LUSI NORTH	3354883
LUSI SOUTH	3354881

12. Water Management District Consumptive Use Permit #

<u>System</u>	<u>CUP ID #</u>
LUSI	2-069-2700

12/31/2008

**WASTEWATER  
OPERATION  
SECTION**



UTILITY NAME: LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> <b>31-Dec-08</b>
---

SYSTEM NAME / COUNTY : Martin County

**SCHEDULE OF YEAR END WASTEWATER RATE BASE**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
101	Utility Plant In Service	S-4A	\$ 13,389,163
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	S-6B	2,628,650
110	Accumulated Amortization	F-8	-
271	Contributions In Aid of Construction	S-7	10,895,932
252	Advances for Construction	F-20	
Subtotal			\$ (135,419)
272	Add: Accumulated Amortization of Contributions in Aid of Construction	S-8A	\$ 1,419,364
Subtotal			\$ 1,283,945
	Plus or Minus:		
114	Acquisition Adjustments (2)	F-7	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	-
	Working Capital Allowance (3)		87,103
	Other (Specify):		-
WASTEWATER RATE BASE			\$ 1,371,048
WASTEWATER OPERATING INCOME		S-3	\$ 196,143
ACHIEVED RATE OF RETURN (Wastewater Operating Income / Wastewater Rate Base)			<u>14.31%</u>

NOTES (1) Estimate based on the methodology used in the last rate proceeding.

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.



UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY :

Martin County

**WASTEWATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WASTEWATER UTILITY (d)
	<b>UTILITY OPERATING INCOME</b>		
400	Operating Revenues	S-9A	\$ 1,165,192
530	Less: Guaranteed Revenue (and AFPI)	S-9A	-
	<b>Net Operating Revenues</b>		\$ 1,165,192
401	Operating Expenses	S-10A	\$ 696,825
403	Depreciation Expense	S-6A	448,211
	Less: Amortization of CIAC	S-8A	(291,837)
	<b>Net Depreciation Expense</b>		\$ 156,374
406	Amortization of Utility Plant Acquisition Adjustment	F-7	-
407	Amortization Expense (Other than CIAC)	F-8	-
408.1	Taxes Other Than Income		
	Utility Regulatory Assessment Fee		39
408.11	Property Taxes		96,023
408.12	Payroll Taxes		17,167
408.13	Other Taxes and Licenses		44,788
408	<b>Total Taxes Other Than Income</b>		\$ 158,016
409.1	Income Taxes		(12,430)
410.1	Deferred Federal Income Taxes		(25,390)
410.11	Deferred State Income Taxes		(4,346)
411.1	Provision for Deferred Income Taxes - Credit		-
412.1	Investment Tax Credits Deferred to Future Periods		-
412.11	Investment Tax Credits Restored to Operating Income		-
	<b>Utility Operating Expenses</b>		\$ 969,049
	<b>Utility Operating Income</b>		\$ 196,143
530	Add Back:		
	Guaranteed Revenue (and AFPI)	S-9A	\$ -
413	Income From Utility Plant Leased to Others		4,062
414	Gains (losses) From Disposition of Utility Property		1,029
420	Allowance for Funds Used During Construction		156,355
	<b>Total Utility Operating Income</b>		\$ 357,589

YEAR OF REPORT  
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UTILITY NAME: LAKE UTILITY SERVICES INC

SYSTEM NAME / COUNTY : Martin County

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
351	Organization	\$ 8,968	(1)	\$	\$ 8,968
352	Franchises	3,654	(3,654)		(0)
353	Land and Land Rights	838,852	(0)		838,852
354	Structures and Improvements	4,816,220	110,493		4,926,713
355	Power Generation Equipment		907		907
360	Collection Sewers - Force	1,692,543	(619,064)		1,073,479
361	Collection Sewers - Gravity	3,737,129	(847,807)		2,889,322
361	Manholes		-		681,493
362	Special Collecting Structures		-		-
363	Services to Customers		608,398		608,398
364	Flow Measuring Devices		-		-
365	Flow Measuring Installations		-		-
366	Reuse Services		-		-
367	Reuse Meters and Meter Installations		-		-
370	Receiving Wells		-		-
371	Pumping Equipment		27,397		27,397
374	Reuse Distribution Reservoirs		-		-
375	Reuse Transmission and Distribution System		3,006,791		3,006,791
380	Treatment and Disposal Equipment	546,700	20,502		567,202
381	Plant Sewers		-		-
382	Outfall Sewer Lines	8,512	(8,512)		(0)
389	Other Plant Miscellaneous Equipment		4,740		4,740
390	Office Furniture and Equipment	575	294,802		295,377
391	Transportation Equipment		86,364		86,364
392	Stores Equipment		87		87
393	Tools, Shop and Garage Equipment	5,956	29,433		35,389
394	Laboratory Equipment	1,557,587	(1,553,740)		3,847
395	Power Operated Equipment		858		858
396	Communication Equipment	15,988	(6,600)		9,388
397	Miscellaneous Equipment		4,564		4,564
398	Other Tangible Plant		906		906
	Total Wastewater Plant	\$ 13,232,684	\$ 1,156,862	\$ 0	\$ 15,071,039

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

S-4(a)  
GROUP \_\_\_\_\_

WASTEWATER UTILITY PLANT MATRIX

ACCT. NO.	ACCOUNT NAME	.1 INTANGIBLE PLANT (g)	.2 COLLECTION PLANT (h)	.3 SYSTEM PUMPING PLANT (i)	.4 TREATMENT AND DISPOSAL (j)	.5 RECLAIMED WASTEWATER TREATMENT PLANT (i)	.6 RECLAIMED WASTEWATER DISTRIBUTION PLANT (j)	.7 GENERAL PLANT (k)
351	Organization	\$ 8,968						
352	Franchises	(0)						
353	Land and Land Rights		838,852					
354	Structures and Improvements			2,174,121	2,656,429			96,163
355	Power Generation Equipment		907					
360	Collection Sewers - Force		1,073,479					
361	Collection Sewers - Gravity		2,889,322					
361	Manholes		681,493					
362	Special Collecting Structures							
363	Services to Customers		608,398					
364	Flow Measuring Devices							
365	Flow Measuring Installations							
366	Reuse Services		331,923					
367	Reuse Meters and Meter Installations		1,358,048					
370	Receiving Wells			27,397				
371	Pumping Equipment							
374	Reuse Distribution Reservoirs							
375	Reuse Transmission and Distribution System			1,316,821	567,202			
380	Treatment and Disposal Equipment							
381	Plant Sewers							
382	Outfall Sewer Lines				(0)			295,377
389	Other Plant Miscellaneous Equipment			4,740				86,364
390	Office Furniture and Equipment							87
391	Transportation Equipment							35,389
392	Stores Equipment							3,847
393	Tools, Shop and Garage Equipment							858
394	Laboratory Equipment							9,388
395	Power Operated Equipment							4,564
396	Communication Equipment							906
397	Miscellaneous Equipment							
398	Other Tangible Plant							
	Total Wastewater Plant	\$ 8,967	\$ 7,782,420	\$ 3,523,079	\$ 3,223,631	\$ -	\$ -	\$ 532,942

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

UTILITY NAME: LAKE UTILITY SERVICES INC

12/31/2008

YEAR OF REPORT 31-Dec-08
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SYSTEM NAME / COUNTY : Martin County

**BASIS FOR WASTEWATER DEPRECIATION CHARGES**

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
301	Organization	40		2.50%
302	Franchises	40		2.50%
354	Structures and Improvements	32		3.13%
354	Structures and Improvements - General	40		2.50%
355	Power Generation Equipment	20		5.00%
360	Collection Sewers - Force	30		3.33%
361	Collection Sewers - Gravity	45		2.22%
361	Manholes	30		3.33%
362	Special Collecting Structures	40		2.50%
363	Services to Customers	38		2.63%
364	Flow Measuring Devices	5		20.00%
365	Flow Measuring Installations	38		2.63%
366	Reuse Services	40		2.50%
367	Reuse Meters and Meter Installations	20		5.00%
370	Receiving Wells	30		3.33%
371	Pumping Equipment	18		5.56%
375	Reuse Transmission and Distribution System	43		2.33%
380	Treatment and Disposal Equipment	18		5.56%
381	Plant Sewers	35		2.86%
382	Outfall Sewer Lines	30		3.33%
389	Other Plant Miscellaneous Equipment	18		5.56%
390	Office Furniture and Equipment	15		6.67%
390	Office Furniture and Equipment - Computers	6		16.67%
391	Transportation Equipment	6		16.67%
392	Stores Equipment	18		5.56%
393	Tools, Shop and Garage Equipment	16		6.25%
394	Laboratory Equipment	15		6.67%
395	Power Operated Equipment	12		8.33%
396	Communication Equipment	10		10.00%
397	Miscellaneous Equipment	15		6.67%
398	Other Tangible Plant	10		10.00%
Wastewater Plant Composite Depreciation Rate *				

\* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

NO.	ACCT. ACCOUNT NAME (a) (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCRUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
301	Organization	\$	\$	\$ 256,971	\$ 256,971
302	Franchises		45		45
354	Structures and Improvements	907,448	163,226	5,364	168,590
355	Power Generation Equipment		8		8
360	Collection Sewers - Force	264,168	35,749	(95,780)	(60,031)
361	Collection Sewers - Gravity	433,244	79,198	(806)	78,392
362	Special Collecting Structures				
363	Services to Customers		20,261	95,435	115,696
364	Flow Measuring Devices				
365	Flow Measuring Installations				
366	Reuse Services		7,720	12,676	20,396
367	Reuse Meters and Meter Installations		51,067	100	51,167
370	Receiving Wells				
371	Pumping Equipment		149		149
375	Reuse Transmission and Distribution System				
380	Treatment and Disposal Equipment	106,419	30,646	37,856	68,502
381	Plant Sewers		19,071		19,071
382	Outfall Sewer Lines	1,115	557		557
389	Other Plant Miscellaneous Equipment		3		3
390	Office Furniture and Equipment		26,963	66,932	93,895
391	Transportation Equipment		9,176	65,081	74,257
392	Stores Equipment				
393	Tools, Shop and Garage Equipment	157	2,392	12,868	15,260
394	Laboratory Equipment	12,776	68	(13,050)	(12,982)
395	Power Operated Equipment		24	(18)	6
396	Communication Equipment	37,857	1,667	(26,444)	(24,777)
397	Miscellaneous Equipment		63		63
398	Other Tangible Plant		157	70	227
Total Depreciable Wastewater Plant in Service		\$ 1,763,184	\$ 448,211	\$ 417,255	\$ 865,466

\* Specify nature of transaction.  
Use ( ) to denote reversal entries.

YEAR OF REPORT  
31-Dec-08

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LAKE UTILITY SERVICES INC

UTILITY NAME:

SYSTEM NAME / COUNTY : Martin County

ANALYSIS OF ENTRIES IN WASTEWATER ACCUMULATED DEPRECIATION

ACCT. NO.	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-j) (k)
301	Organization	\$ -	\$ -	\$ -	\$ -	256,971
302	Franchises	-	-	-	-	45
354	Structures and Improvements	-	-	-	-	1,076,038
355	Power Generation Equipment	-	-	-	-	8
360	Collection Sewers - Force	-	-	-	-	204,137
361	Collection Sewers - Gravity	-	-	-	-	511,636
362	Special Collecting Structures	-	-	-	-	-
363	Services to Customers	-	-	-	-	115,696
364	Flow Measuring Devices	-	-	-	-	-
365	Flow Measuring Installations	-	-	-	-	-
366	Reuse Services	-	-	-	-	20,396
367	Reuse Meters and Meter Installations	-	-	-	-	51,167
370	Receiving Wells	-	-	-	-	-
371	Pumping Equipment	-	-	-	-	149
375	Reuse Transmission and Distribution System	-	-	-	-	-
380	Treatment and Disposal Equipment	-	-	-	-	68,502
381	Plant Sewers	-	-	-	-	125,490
382	Outfall Sewer Lines	-	-	-	-	-
389	Other Plant Miscellaneous Equipment	-	-	-	-	1,672
390	Office Furniture and Equipment	-	-	-	-	3
391	Transportation Equipment	-	-	-	-	93,895
392	Stores Equipment	-	-	-	-	74,257
393	Tools, Shop and Garage Equipment	-	-	-	-	-
394	Laboratory Equipment	-	-	-	-	15,417
395	Power Operated Equipment	-	-	-	-	(206)
396	Communication Equipment	-	-	-	-	6
397	Miscellaneous Equipment	-	-	-	-	13,080
398	Other Tangible Plant	-	-	-	-	63
		-	-	-	-	227
Total Depreciable Wastewater Plant in Service						\$ 2,628,650

\* Specify nature of transaction.  
Use ( ) to denote reversal entries.

UTILITY NAME:

LAKE UTILITY SERVICES INC

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**31-Dec-08**

SYSTEM NAME / COUNTY : Martin County

**CONTRIBUTIONS IN AID OF CONSTRUCTION  
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WASTEWATER (c)
Balance first of year		\$ <u>6,170,228</u>
Add credits during year: Contributions received from Capacity, Main Extension and Customer Connection Charges	S-8A	\$ <u>991,414</u>
Contributions received from Developer or Contractor Agreements in cash or property	S-8B	<u>-</u>
Total Credits		\$ <u>991,414</u>
Less debits charged during the year (All debits charged during the year must be explained below)		\$ <u>(3,734,290)</u>
Total Contributions In Aid of Construction		\$ <u>10,895,932</u>

Explain all debits charged to Account 271 during the year below:

Beginning Balance Adjustment. Beginning Balance S/B 9,904,517.73

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UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY : Martin County

**WASTEWATER CIAC SCHEDULE "A"**

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,  
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR

DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
<u>SEWER CONNECTIONS FEES (NONE)</u>	_____	\$ _____	\$ <u>991,414.0</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total Credits			\$ <u><u>991,414.0</u></u>

**ACCUMULATED AMORTIZATION OF WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION**

DESCRIPTION (a)	WASTEWATER (b)
Balance first of year	\$ <u>327,285</u>
Debits during the year:	
Accruals charged to Account 272	\$ <u>291,837</u>
Other debits (specify) :	_____
_____	_____
Total debits	\$ <u>291,837</u>
Credits during the year (specify) :	\$ _____
_____	_____
Total credits	\$ <u>-</u>
Balance end of year	\$ <u><u>1,419,364</u></u>



UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

**YEAR OF REPORT**  
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SYSTEM NAME / COUNTY : Martin County

**WASTEWATER CIAC SCHEDULE "B"**  
**ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION**  
**RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS**  
**WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR**

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
NONE		\$ 0
Total Credits		\$ 0

UTILITY NAME:

LAKE UTILITY SERVICES INC

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY : Martin County

**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
<b>WASTEWATER SALES</b>				
521.1	Flat Rate Revenues: Residential Revenues	2,860	3,102	\$ 414,929
521.2	Commercial Revenues	4		18,780
521.3	Industrial Revenues			-
521.4	Revenues From Public Authorities			-
521.5	Multiple Family Dwelling Revenues			-
521.6	Other Revenues			-
521	<b>Total Flat Rate Revenues</b>	<b>2,864</b>	<b>3,102</b>	<b>\$ 433,710</b>
522.1	Measured Revenues: Residential Revenues			672,005
522.2	Commercial Revenues			46,825
522.3	Industrial Revenues			-
522.4	Revenues From Public Authorities			-
522.5	Multiple Family Dwelling Revenues			1,981
522	<b>Total Measured Revenues</b>			<b>\$ 720,810</b>
523	Revenues From Public Authorities			-
524	Revenues From Other Systems			-
525	Interdepartmental Revenues			-
<b>Total Wastewater Sales</b>		<b>2,864</b>	<b>3,102</b>	<b>\$ 1,154,520</b>
<b>OTHER WASTEWATER REVENUES</b>				
530	Guaranteed Revenues			\$ -
531	Sale of Sludge			-
532	Forfeited Discounts			-
534	Rents From Wastewater Property			-
535	Interdepartmental Rents			-
536	Other Wastewater Revenues (Including Allowance for Funds Prudently Invested or AFPI)			10,672
<b>Total Other Wastewater Revenues</b>				<b>\$ 10,672</b>

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.  
521.1 includes accruals

UTILITY NAME:

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<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY Martin County

**WASTEWATER OPERATING REVENUE**

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS * (d)	AMOUNTS (e)
RECLAIMED WATER SALES				
540.1	Flat Rate Reuse Revenues: Residential Reuse Revenues	_____	_____	\$ _____ -
540.2	Commercial Reuse Revenues	_____	_____	_____ -
540.3	Industrial Reuse Revenues	_____	_____	_____ -
540.4	Reuse Revenues From Public Authorities	_____	_____	_____ -
540.5	Other Revenues	_____	_____	_____ -
540	Total Flat Rate Reuse Revenues	_____	_____	\$ _____ -
541.1	Measured Reuse Revenues: Residential Reuse Revenues	_____	_____	_____ -
541.2	Commercial Reuse Revenues	_____	_____	_____ -
541.3	Industrial Reuse Revenues	_____	_____	_____ -
541.4	Reuse Revenues From Public Authorities	_____	_____	_____ -
541	Total Measured Reuse Revenues	_____	_____	\$ _____ -
544	Reuse Revenues From Other Systems	_____	_____	_____ -
Total Reclaimed Water Sales				\$ _____ -
Total Wastewater Operating Revenues				\$ <u>1,165,192</u>

\* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

UTILITY NAME: LAKE UTILITY SERVICES INC 12/31/2008

SYSTEM NAME / COUNTY : Martin County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 COLLECTION EXPENSES- OPERATIONS (d)	.2 COLLECTION EXPENSES- MAINTENANCE (e)	.3 PUMPING EXPENSES - OPERATIONS (f)	.4 PUMPING EXPENSES - MAINTENANCE (g)	.5 TREATMENT & DISPOSAL EXPENSES - OPERATIONS (h)	.6 TREATMENT & DISPOSAL EXPENSES - MAINTENANCE (i)
701	Salaries and Wages - Employees	\$ 160,693	\$ 17,422	\$ 17,422	\$ 17,422	\$ 17,422	\$ 17,422	\$ 17,422
703	Salaries and Wages - Officers, Directors and Majority Stockholders	16,226	-	-	-	-	-	-
704	Employee Pensions and Benefits	53,143	5,233	5,233	5,233	5,233	5,233	5,233
710	Purchased Sewage Treatment	-	-	-	-	-	-	-
711	Sludge Removal Expense	122,233	-	-	-	-	-	-
715	Purchased Power	117,142	39,047	39,047	39,047	39,047	39,047	39,047
716	Fuel for Power Purchased	-	-	-	-	-	-	-
718	Chemicals	45,014	7,502	7,502	7,502	7,502	7,502	7,502
720	Materials and Supplies	18,695	2,337	2,337	2,337	2,337	2,337	2,337
731	Contractual Services-Engineering	86	-	-	-	-	-	-
732	Contractual Services - Accounting	3,028	-	-	-	-	-	-
733	Contractual Services - Legal	2,017	-	-	-	-	-	-
734	Contractual Services - Mgt. Fees	-	-	-	-	-	-	-
735	Contractual Services - Testing	1,521	190	190	190	190	190	190
736	Contractual Services - Other	6,417	802	802	802	802	802	802
741	Rental of Building/Real Property	-	-	-	-	-	-	-
742	Rental of Equipment	-	-	-	-	-	-	-
750	Transportation Expenses	21,984	2,748	2,748	2,748	2,748	2,748	2,748
756	Insurance - Vehicle	-	-	-	-	-	-	-
757	Insurance - General Liability	-	-	-	-	-	-	-
758	Insurance - Workman's Comp.	-	-	-	-	-	-	-
759	Insurance - Other	22,903	2,863	2,863	2,863	2,863	2,863	2,863
760	Advertising Expense	17	-	-	-	-	-	-
766	Regulatory Commission Expenses	-	-	-	-	-	-	-
	- Amortization of Rate Case Expense	-	-	-	-	-	-	-
767	Regulatory Commission Exp.-Other	3,022	-	-	-	-	-	-
770	Bad Debt Expense	9,688	-	-	-	-	-	-
775	Miscellaneous Expenses	92,997	11,625	11,625	11,625	11,625	11,625	11,625
	Total Wastewater Utility Expenses	\$ 696,825	\$ 89,770	\$ 50,723	\$ 89,770	\$ 50,723	\$ 212,003	\$ 50,723

S-10(a)  
GROUP

12/31/2008

UTILITY NAME: LAKE UTILITY SERVICES INC

SYSTEM NAME / COUNTY: Martin County

WASTEWATER UTILITY EXPENSE ACCOUNT MATRIX

ACCT. NO.	ACCOUNT NAME (b)	.7 CUSTOMER ACCOUNTS EXPENSE (g)	.8 ADMIN. & GENERAL EXPENSES (k)	.9 RECLAIMED WATER TREATMENT EXPENSES- OPERATIONS (l)	.10 RECLAIMED WATER TREATMENT EXPENSES- MAINTENANCE (m)	.11 RECLAIMED WATER DISTRIBUTION EXPENSES- OPERATIONS (n)	.12 RECLAIMED WATER DISTRIBUTION EXPENSES- MAINTENANCE (o)
701	Salaries and Wages - Employees	\$ 10,810	\$ 45,349	\$ -	\$ -	\$ -	\$ -
703	Salaries and Wages - Officers, Directors and Majority Stockholders	-	16,226	-	-	-	-
704	Employee Pensions and Benefits	3,247	18,496	-	-	-	-
710	Purchased Sewage Treatment	-	-	-	-	-	-
711	Sludge Removal Expense	-	-	-	-	-	-
715	Purchased Power	-	-	-	-	-	-
716	Fuel for Power Purchased	-	-	-	-	-	-
718	Chemicals	-	-	-	-	-	-
720	Materials and Supplies	2,337	2,337	-	-	-	-
731	Contractual Services-Engineering	-	86	-	-	-	-
732	Contractual Services - Accounting	-	3,028	-	-	-	-
733	Contractual Services - Legal	-	2,017	-	-	-	-
734	Contractual Services - Mgt. Fees	-	-	-	-	-	-
735	Contractual Services - Testing	190	190	-	-	-	-
736	Contractual Services - Other	802	802	-	-	-	-
741	Rental of Building/Real Property	-	-	-	-	-	-
742	Rental of Equipment	-	-	-	-	-	-
750	Transportation Expenses	2,748	2,748	-	-	-	-
756	Insurance - Vehicle	-	-	-	-	-	-
757	Insurance - General Liability	-	-	-	-	-	-
758	Insurance - Workman's Comp.	-	-	-	-	-	-
759	Insurance - Other	2,863	2,863	-	-	-	-
760	Advertising Expense	17	17	-	-	-	-
766	Regulatory Commission Expenses - Amortization of Rate Case Expense	-	-	-	-	-	-
767	Regulatory Commission Exp.-Other	-	3,022	-	-	-	-
770	Bad Debt Expense	9,688	-	-	-	-	-
775	Miscellaneous Expenses	11,625	11,625	-	-	-	-
Total Wastewater Utility Expenses		\$ 44,309	\$ 108,806	\$ -	\$ -	\$ -	\$ -

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

<b>YEAR OF REPORT</b> 31-Dec-08
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SYSTEM NAME / COUNTY :

LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS

**CALCULATION OF THE WASTEWATER SYSTEM METER EQUIVALENTS**

<b>WATER METER SIZE</b> (a)	<b>TYPE OF WATER METER</b> (b)	<b>EQUIVALENT FACTOR</b> (c)	<b>NUMBER OF WATER METERS</b> (d)	<b>TOTAL NUMBER OF METER EQUIVALENTS</b> (c x d) (e)
All Residential		1.0	2,863	2,863
5/8"	Displacement	1.0	6	6.00
3/4"	Displacement	1.5		
1"	Displacement	2.5	9	22.50
1 1/2"	Displacement or Turbine	5.0	1	5.00
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0	2	90
10"	Compound	115.0		
10"	Turbine	145.0	1	145
12"	Turbine	215.0		
Total Wastewater System Meter Equivalents				<u>3,132</u>

**CALCULATION OF THE WASTEWATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS**

Provide a calculation used to determine the value of one wastewater equivalent residential connection (ERC).

Use one of the following methods:

(a) If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.

(b) If no historical flow data are available, use:

$$ERC = ( \text{Total SFR gallons treated (Omit 000)} / 365 \text{ days} / 280 \text{ gallons per day} )$$

For wastewater only utilities:

Subtract all general use and other non residential customer gallons from the total gallons treated.

Divide the remainder (SFR customers) by 365 days to reveal single family residence customer gallons per d

**NOTE:**

Total gallons treated includes both treated and purchased treatment.

ERC Calculation:

$$132.708/365/280=1,299$$

UTILITY NAME:

LAKE UTILITY SERVICES, INC.

12/31/2008

**YEAR OF REPORT**  
**31-Dec-08**

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS

**WASTEWATER TREATMENT PLANT INFORMATION**

Provide a separate sheet for each wastewater treatment facility

Permitted Capacity	<u>1.000</u> mgd		
Basis of Permit Capacity (1)	<u>AADF</u>		
Manufacturer	<u>US Filter</u>		
Type (2)	<u>5-Stage Activated Sludge</u>		
Hydraulic Capacity	<u>1.000</u> mgd		
Average Daily Flow	<u>0.364</u> mgd		
Total Gallons of Wastewater Treated	<u>132.708</u> mg		
Method of Effluent Disposal	<u>Perc Ponds &amp; Residential Reuse</u>		

(1) Basis of permitted capacity as stated on the Florida DEP WWTP Operating Permit (i.e. average annual daily flow, etc.)

(2) Contact stabilization, advanced treatment, etc.

UTILITY NAME: LAKE UTILITY SERVICES, INC.

12/31/2008

YEAR OF REPORT  
**31-Dec-08**

SYSTEM NAME / COUNTY LAKE UTILITY SERVICES, INC. INTERCONNECTED SYSTEMS

**OTHER WASTEWATER SYSTEM INFORMATION**

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present number of ERCs\* now being served 3,000

2. Maximum number of ERCs\* which can be served 4,065

3. Present system connection capacity (in ERCs\*) using existing lines \_\_\_\_\_

4. Future connection capacity (in ERCs\*) upon service area buildout N/A

5. Estimated annual increase in ERCs\* 50

6. Describe any plans and estimated completion dates for any enlargements or improvements of this system  
\_\_\_\_\_  
\_\_\_\_\_

7. If the utility uses reuse as a means of effluent disposal, attach a list of the reuse end users and the amount of reuse provided to each, if known. N/A

8. If the utility does not engage in reuse, has a reuse feasibility study been completed? Yes

If so, when? 1999

9. Has the utility been required by the DEP or water management district to implement reuse? Yes

If so, what are the utility's plans to comply with this requirement? \_\_\_\_\_

2008: Completed the construction of reuse treatment facilities and reuse transmission main; established a reuse consumption rate through a rate filing.

10. When did the company last file a capacity analysis report with the DEP? 2006

11. If the present system does not meet the requirements of DEP rules:

a. Attach a description of the plant upgrade necessary to meet the DEP rules.

b. Have these plans been approved by DEP? N/A

c. When will construction begin? N/A

d. Attach a description of the plant upgrade necessary to meet the DEP rules.

e. Is this system under any Consent Order with DEP? No

12. Department of Environmental Protection ID # FLA010630

\* An ERC is determined based on the calculation on S-11.



Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Water Operations

YEAR OF REPORT 31-Dec-08
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UTILITY NAME: LAKE UTILITY SERVICES INC

	(A)	(B)	(C)	(D)
Accounts	Gross Water Revenues per Sch W-9	Gross Water Revenues per RAF Return	Difference (B)-(C)	
Gross Revenues:				
Unmetered Water Revenues	-			
Total Metered Sales	2,864,033			2,864,033
Total Fire Protection Revenue	-			-
Other Sales to Public Authorities	-			-
Sales to Irrigation Customers	-			-
Sales for Resale	-			-
Interdepartmental Sales	-			-
Total Other Water Revenue	32,344	-		32,344
Total Water Operating Revenue	2,896,377	-		2,896,377
Less: Expense for Purchased Water from FPSC Regulated Utility				-
Net Water Operating Revenues	2,896,377	-		2,896,377

Reconciliation of Revenue to  
Regulatory Assessment Fee Revenue  
Wastewater Operations

YEAR OF REPORT 31-Dec-08
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UTILITY NAME: LAKE UTILITY SERVICES INC

(A)	(B)	(C)	(D)
Accounts	Gross Wastewater Revenues per Sch S-9	Gross Wastewater Revenues per RAF Return	Difference (B)-(C)
Gross Revenues:			
Total Flat-Rate Revenues	433,710		433,710
Total Measured Revenues	720,810		720,810
Revenues from Public Authorities	-		
Revenues from Other Systems	-		
Interdepartmental Revenues	-		
Total Other Wastewater Revenues	10,672		10,672
Reclaimed Water Sales			
Total Wastewater Operating Revenue	1,165,192	-	1,165,192
Less: Expense for Purchased Wastewater from FPSC Regulated Utility			
Net Wastewater Operating Revenues	1,165,192	-	1,165,192